

Staff Summary Report



Council Meeting Date: June 19, 2003

Agenda Item Number: 32

SUBJECT: This is a public hearing regarding the final estimates for the fiscal year beginning July 1, 2003, and ending June 30, 2004, and Resolution No. 2003.32 adopting the Final 2003-2004 Budget.

DOCUMENT NAME: 20030619fsae05 **BUDGET FY 2003-2004 (0205-10-01)**

SUPPORTING DOCS: No

PREPARED BY: Cecilia Robles, Deputy Financial Services Manager (x8881)

REVIEWED BY: Jerry Hart, Financial Services Manager (x8505)

LEGAL REVIEW BY: Marlene A. Pontrelli, City Attorney (350-8120)

FISCAL NOTE: ---

RECOMMENDATION: Staff recommends that Council forward Resolution 2003.32 for adoption of final budget estimates at the special meeting following the regular Council meeting.

ADDITIONAL INFO: Prior to final adoption of the budget at a "special meeting", the Council must hold a public hearing where any taxpayer may appear and be heard for or against any proposed expenditure or tax levy pursuant to A.R.S. §42-17104 and §42-17107.

Resolution No. 2003.32 adopts the final budget for fiscal year 2003-2004. Since tentative adoption on June 2nd, the attached schedules (Exhibit A) have been properly advertised pursuant to A.R.S. §42-17103.

Resolution No. 2003.32 further sets a property tax public hearing for July 10th and sets a property tax rate adoption date of July 17th. The proposed tax rate of \$1.35 per \$100 of assessed value is estimated to generate \$22,176,447 with a primary levy of \$8,621,551 and a secondary tax levy of \$13,554,896.

No changes have been made since the June 2nd tentative adoption, therefore, the attached schedules are identical to those submitted at tentative adoption.

RESOLUTION NO. 2003.32

A RESOLUTION DETERMINING AND ADOPTING
FINAL ESTIMATES OF PROPOSED EXPENDITURES BY THE
CITY OF TEMPE FOR THE FISCAL YEAR BEGINNING
JULY 1, 2003, AND ENDING JUNE 30, 2004, DECLARING THAT
SUCH SHALL CONSTITUTE THE BUDGET FOR THE
CITY OF TEMPE FOR SUCH FISCAL YEAR.

WHEREAS, in accordance with the provisions of Title 42, Sections 17101-17104 inclusive, Arizona Revised Statutes, the City Council did, on June 2, 2003, make an estimate of the amounts required to meet the public expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property within the City of Tempe, Arizona, and

WHEREAS, in accordance with said sections of said Title, and following due public notice, the Council met on June 19, 2003, at which meeting any taxpayer was entitled to appear and be heard in favor of or against any of the proposed expenditures or tax levy, and

WHEREAS, publication has been duly made as required by law, of said estimates together with a notice that the City Council set a property tax public hearing for July 10, 2003, and set an adoption date of July 17, 2003, to adopt the property tax rate, and

WHEREAS, the sums to be raised by primary taxation, as specified therein, do not in the aggregate amount exceed that amount as computed in Title 42, Section 17051, A.R.S., therefore be it

RESOLVED, that the said estimates of revenues and expenditures shown on the accompanying schedules as now increased, reduced or changed by the same are hereby adopted as the budget of the City of Tempe, Arizona, for the fiscal year 2003-2004.

PASSED BY THE CITY COUNCIL OF TEMPE, ARIZONA, this 19th day of June 2003.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

FINANCIAL SERVICES MANAGER



Schedule A

Summary Schedule of Estimated Revenues and Expenditures/Expenses

Fund	Adopted Budgeted Expenditures/ Expenses 2002-03*	Estimated Expenditures/ Expenses 2002-03**	Estimated Unreserved Fund Balance 7-1-2003**	Direct Property Tax Revenues 2003-04
General Fund	\$128,498,814	\$119,280,493	\$33,751,999	\$8,543,551
Special Revenue	39,841,045	41,712,723	67,052,368	78,000
Debt Service	11,518,082	11,518,082	9,718,444	13,554,896
Capital Projects	95,318,794	64,361,152	22,119,879	0
Enterprise	52,988,244	51,263,013	65,267,045	0
TOTAL	\$328,164,979	\$288,135,463	\$197,909,735	\$22,176,447

Expenditure Limitation Comparison	2002-03	2003-04
1. Budgeted Expenditures/Expenses	\$328,164,979	\$365,533,968
2. Less: Estimated Exclusions	(170,178,822)	(130,326,284)
3. Total Estimated Expenditures/Expenses Subject to Expenditure Limitation	157,986,157	235,207,684
4. Expenditure Limitation	\$157,986,157	\$235,207,684

* Includes expenditure/expense adjustments approved in 2002-03 Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.



Summary Schedule of Estimated Revenues and Expenditures/Expenses

Fund	Budgeted Revenues Other than Property Taxes 2003-04	Proceeds From Other Financing Sources 2003-04	Interfund Transfers 2003-04		Total Financial Resources Available 2003-04	Budgeted Expenditures/ Expenses 2003-04
			In	(Out)		
General Fund	\$113,282,412	\$0	\$0	\$0	\$155,577,962	\$121,825,963
Special Revenue	62,513,125	0	0	(21,475,070)	108,168,423	53,817,868
Debt Service	654,200	0	2,000,000	(1,227,000)	24,700,540	13,083,608
Capital Projects	0	86,021,394	31,247,313	0	139,388,586	117,968,707
Enterprise	58,055,364	0		(10,545,243)	112,777,166	58,837,822
TOTAL	\$234,505,101	\$86,021,394	\$33,247,313	(\$33,247,313)	\$540,612,677	\$365,533,968



Summary of Tax Levy and Tax Rate Information

	2002-03 Fiscal Year	Estimated 2003-04 Fiscal Year
1. Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17051(A))		<u>\$8,621,551</u>
2. Amount Received from Primary Property Taxation in the 2002-03 Fiscal Year in Excess of the Sum of that Year's Maximum Allowable Primary Property Tax Levy (A.R.S. 42-17102(A)(18))	<u>\$0</u>	
3. Property Tax Levy Amounts		
A. Primary Property Taxes	7,288,511	8,621,551
B. Secondary Property Taxes	12,897,095	13,554,896
C. Total Property Tax Levy Amounts	<u>\$20,185,606</u>	<u>\$22,176,447</u>
4. Property Taxes Collected*		
A. Primary Property Taxes		
1. 2002-03 Levy	7,288,511	
2. Prior Years' Levies	0	
3. Total Primary Property Taxes	<u>\$7,288,511</u>	
B. Secondary Property Taxes		
1. 2002-03 Levy	12,897,095	
2. Prior Years' Levies	0	
3. Total Secondary Property Taxes	<u>\$12,897,095</u>	
C. Total Property Taxes Collected	<u>\$20,185,606</u>	
5. Property Tax Rates		
A. City Tax Rate		
1. Primary Property Tax Rate	0.5214	0.5472
2. Secondary Property Tax Rate	0.8286	0.8028
3. Total City Tax Rate	<u>\$1.3500</u>	<u>\$1.3500</u>
B. Special District Tax Rates		

Secondary Property Tax Rates - As of the date the proposed budget was prepared, the city was operating -
0- special assessment districts for which secondary property taxes are levied. For information pertaining
to these special assessment districts and their tax rates, please contact the city.

* Includes actual property taxes collected as of the date the proposed budget was prepared plus
estimated property tax collected for the remainder of the fiscal year.



Summary by Fund of Revenues Other Than Property Taxes

Source of Revenues	Budgeted Revenues 2002-03	Estimated Revenues 2002-03*	Budgeted Revenues 2003-04
GENERAL FUND			
Local taxes			
City Sales Tax	\$ 61,011,600	\$ 57,300,000	\$ 58,500,000
Hotel Bed Tax	1,713,400	2,000,000	2,250,000
Franchise Taxes	1,913,319	1,531,200	1,704,200
Licenses and permits			
Business Licenses	1,087,150	1,072,525	1,090,877
Intergovernmental revenues			
State-Shared	29,674,000	29,185,000	26,866,160
County	5,050,000	5,600,000	5,600,000
Charges for services			
Total Charges for Services	6,087,900	6,548,648	6,988,051
Fines and forfeitures			
Total Fines and Forfeitures	4,216,200	4,413,086	4,947,485
Interest on investments			
Total Interest	4,400,000	3,233,700	2,600,000
In-lieu property taxes			
Total In-lieu Property Taxes			
Voluntary contributions			
SRP In-lieu Tax	395,900	428,862	450,000
Miscellaneous revenues			
All Miscellaneous	1,743,120	2,783,061	2,285,639
Total General Fund	117,292,589	114,096,082	113,282,412
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Intergovernmental	9,965,400	9,965,400	10,986,169
Maintenance of Effort/Other	1,850,000	-	-
Total Highway User Revenue Fund	11,815,400	9,965,400	10,986,169
Local Trans. Assistance Fund (LTAF)			
Intergovernmental	901,600	901,600	883,600
Lottery Transfer to Transit	(297,500)	(297,500)	(291,600)
Total LTAF	604,100	604,100	592,000
Transit Fund			
Transit Tax	26,465,100	25,326,325	26,027,864
Lottery Transfer In	297,500	297,500	291,600
ASU-Flash Transit	367,000	352,776	375,440
Interest Earned - Trust Invest.	2,300,000	1,969,100	1,261,900
Miscellaneous Revenue	5,086,000	5,434,996	5,953,189
Total Transit Fund	34,515,600	33,380,697	33,909,993



Summary by Fund of Revenues Other Than Property Taxes

Source of Revenues	Budgeted Revenues 2002-03	Estimated Revenues 2002-03*	Budgeted Revenues 2003-04
Rio Salado Fund			
City Sales Tax	639,000	475,000	490,000
Miscellaneous Revenue	544,200	362,625	288,800
Total Rio Salado Fund	1,183,200	837,625	778,800
Performing Arts			
Performing Arts Tax/Interest Income	5,396,000	5,471,540	5,428,500
Total Performing Arts Fund	5,396,000	5,471,540	5,428,500
Total CDBG/Section 8 Funds	8,614,252	11,480,214	10,817,663
Total Special Revenue Funds	62,128,552	61,739,576	62,513,125
DEBT SERVICE FUND			
SRP In-Lieu Tax	635,156	635,156	654,200
Total Debt Service Fund	635,156	635,156	654,200
ENTERPRISE FUNDS			
Golf Fund	2,253,000	2,055,000	2,066,800
Water/Wastewater Fund	45,364,062	46,199,534	45,384,864
Sanitation Fund	10,040,100	10,305,234	10,603,700
Total Enterprise Funds	57,657,162	58,559,768	58,055,364
TOTAL ALL FUNDS	\$ 237,713,459	\$ 235,030,582	\$ 234,505,101

* Includes actual revenues recognized on the modified accrual basis as of the date the proposed budget was prepared plus estimated revenues for the remainder of the fiscal year.



Summary by Fund of Other Financing Sources and Interfund Transfers

Fund	Proceeds From Other Financing Sources 2003-04	Interfund Transfers 2003-04	
		In	(Out)
GENERAL FUND		\$0	\$0
SPECIAL REVENUE FUNDS			
HURF/LTAF			(2,945,000)
Transit			(18,130,070)
Performing Arts			(400,000)
Total Special Revenue Funds	0	0	(21,475,070)
DEBT SERVICE FUND			
Total Debt Service Fund		2,000,000	(1,227,000)
CAPITAL PROJECTS FUNDS		31,247,313	
Bond/Note Proceeds	77,971,520		
CIP - Other Funding	8,049,874		
Total Capital Projects Funds	86,021,394	31,247,313	0
ENTERPRISE FUNDS			
Water/Wastewater Fund			(10,545,243)
Sanitation Fund			
Golf Fund			
Total Enterprise Funds	0	0	(10,545,243)
TOTAL ALL FUNDS	\$ 86,021,394	\$ 33,247,313	\$ (33,247,313)



Summary by Department of Expenditures/Expenses Within Each Fund

Fund/ Department	Budgeted Expenditures/ Expenses 2002-03	Expenditure/ Expense Adjustments Approved 2002-03	Estimated Expenditures/ Expenses 2002-03*	Budgeted Expenditures/ Expenses 2003-04
GENERAL FUND				
Mayor and Council	\$ 530,772	(2,122)	\$ 525,140	\$ 374,066
City Manager	555,121	(13,959)	484,224	269,047
Community Relations	2,532,449	(14,919)	2,531,799	2,633,742
Diversity Program	0	364,120	324,434	430,513
Internal Audit	530,287	0	524,274	412,235
City Clerk	467,326	0	434,003	669,770
City Court	3,151,248	0	3,041,055	3,083,668
Human Resources	3,607,526	(86,647)	3,511,834	2,003,755
City Attorney	2,492,332	(17,114)	2,377,131	2,171,149
Financial Services	5,130,562	360,703	5,126,542	3,993,062
Development Services	8,329,601	(85,015)	7,436,621	6,858,657
Police	45,140,592	47,516	44,592,509	46,284,000
Fire	15,194,192	8,612	15,031,824	15,395,129
Community Services	18,637,189	(270,220)	17,906,238	17,417,253
Public Works - General	13,535,598	(33,236)	11,181,907	12,959,151
Economic Development	622,002	0	619,823	676,033
Non-Departmental	5,551,135	(1,081,896)	3,631,135	4,194,733
Contingencies	2,490,882	0	0	2,000,000
Total General Fund	128,498,814	(824,177)	119,280,493	121,825,963
SPECIAL REVENUE FUNDS				
Highway User Revenue Fund				
Streets	8,040,436	1,463,280	8,040,436	8,082,560
Total HURF	8,040,436	1,463,280	8,040,436	8,082,560
Transit	21,546,248	2,460	20,661,437	27,221,366
CDBG	2,687,608	0	5,403,549	3,291,231
Section 8 Housing	5,926,644	0	6,141,490	7,526,433
Rio Salado	1,322,206	19,934	1,272,078	1,480,621
Performing Arts Center	317,903	0	193,733	6,215,657
Total Special Revenue Funds	39,841,045	1,485,674	41,712,723	53,817,868
DEBT SERVICE FUND				
Debt Service	11,518,082	0	11,518,082	13,083,608
Total Debt Service Fund	11,518,082	0	11,518,082	13,083,608
CAPITAL PROJECTS FUNDS				
All Capital Projects	95,318,794	0	64,361,152	117,968,707
Total Capital Projects Funds	95,318,794	0	64,361,152	117,968,707
ENTERPRISE FUNDS				
Water/Wastewater	40,332,402		38,626,093	45,965,050
Golf	2,485,184		2,466,718	2,279,870
Sanitation	10,170,658		10,170,202	10,592,902
Total Enterprise Funds	52,988,244	0	51,263,013	58,837,822
TOTAL ALL FUNDS	\$ 328,164,979	661,497	\$ 288,135,463	\$ 365,533,968

* Includes actual expenditures/expenses recognized on the modified accrual basis as of the date the proposed budget was prepared plus estimated expenditures/expenses for the remainder of the fiscal year.